

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3

NET OPERATING INCOME SUMMARY

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description	Test Year (1)		Utility Proposed Test Period	
		Ref. Sched.	Amount	Ref. Sched.	Amount
1	Operating Revenues	3A	\$ 24,763,605	3A	\$ 29,707,270
2	Operating Expenses	3B	\$ 19,115,323	3B	\$ 19,152,890
3	Net Operating Revenues	L1 - L2	\$ 5,648,282		\$ 10,554,380
4	Total Operating Taxes	3I	\$ 1,486,880	3I	\$ 3,481,454
5	Net Operating Income	L3 - L4	\$ 4,161,402		\$ 7,072,926
6	AFUDC	5.5.1	\$ (90,923)		\$ (90,923)
7	Other Income and Deductions	5.5.1	\$ (2,169,533)		\$ (2,169,533)
8	Net Income Available for Return	L5+L6+L7	\$ 1,900,946		\$ 4,812,470

Note: 1) Adjusted Test Period Ending September 30, 2015

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3A

OPERATING REVENUES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Revenue Description	TEST YEAR			TEST PERIOD						
		Total Company per Books	Billing	Total Company per Books as Adjusted	Total Company	Allocation Percent	Allocated Total	Adjustments			Normalized as Adjusted
			Transition Adjustment					Cust Growth/ Loss of Cust	Normalization	Other	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Residential										
2	Facilities Charge	\$5,192,987	\$ (404,531)	\$ 4,788,456	\$ 4,788,456	100%	\$ 4,788,456	\$ 19,083 (1)	\$ -		\$ 4,807,539
3	Volumetric Charges	\$7,664,192	(547,149)	7,117,043	7,117,043	100%	7,117,043	27,103 (1)	(288,841) (3)		6,855,305
4	Commercial										
5	Facilities Charge	\$707,024	(27,606)	679,419	679,419	100%	679,419	5,720 (1)	-		685,138
6	Volumetric Charges	\$3,955,858	(113,330)	3,842,528	3,842,528	100%	3,842,528	29,547 (1)	(316,766) (3)		3,555,309
7	Industrial										
8	Facilities Charge	\$89,140		89,140	89,140	100%	89,140	(8,658) (2)	-		80,482
9	Volumetric Charges	\$5,508,038		5,508,038	5,508,038	100%	5,508,038	(1,101,754) (2)			4,406,284
10	Public Authority										
11	Facilities Charge	\$37,119		37,119	37,119	100%	37,119		-		37,119
12	Volumetric Charges	\$90,210		90,210	90,210	100%	90,210		(6,506) (3)		83,705
13	Fire Protection	\$2,184,203	(84,252)	2,099,951	2,099,951	100%	2,099,951	6,318 (1)			2,106,270
14	Sales for Resale (3)	\$174,559		174,559	174,559	100%	174,559				174,559
15	Other	\$440,105		440,105	440,105	100%	440,105			(164,495) (4)	275,610
16	DISC Surcharges	\$1,864,014		1,864,014	1,864,014	100%	1,864,014			(167,728) (5)	1,696,286
17	Unbilled Revenue			-	-	100%	-				-
18	Total	\$ 27,907,449	\$ (1,176,867)	\$ 26,730,582	\$ 26,730,582		\$ 26,730,582	\$ (1,022,642)	\$ (612,112)	\$ (332,223)	\$ 24,763,605

(1) See 5.2.5 Sch 3A-1a

(2) See 5.2.5 Sch 3A-1b

(3) See 5.2.5 Sch 3A-2

(4) See WP 3A Other Revenues

(5) See Revenue Adjustment File

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3A-1a

CUSTOMER GROWTH REVENUE ADJUSTMENT - SALES OF WATER CUSTOMERS

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description	Residential	Commercial	Fire Protection Surcharge		Private Fire Protection	Total
				Residential	Commercial		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Historical TY Growth Calculation</u>							
1	Actual Normalized Bills	410,652	31,980	410,652	31,980	9,456	452,088
2	Actual Annualized Bills	409,022	31,712	409,022	31,712	9,447	450,181
3	Average Volumes Per Bill (Per 3-Year Average)	4.15	32.53	n/a	n/a	n/a	
4	Historical TY Customer Growth - Bills	1,630	268	1,630	268	9	1,907
5	Historical TY Customer Growth - Volumes	6,766	8,717	n/a	n/a	n/a	15,483
<u>Test Period Customer Growth Revenue Normalization</u>							
6	Weighted Avg. Facility Charge	\$ 11.71	\$ 21.34				
7	Revenue Adjustment from Minimum Charge	\$ 19,083	\$ 5,720				\$ 24,802
8	Weighted Avg. Fire Protection Surcharge			\$ 2.21	\$ 7.11	\$ 89.42	
9	Revenue Adjustment - Fire Protection Surcharge			\$ 3,608	\$ 1,905	\$ 805	\$ 6,318
8	Weighted Average Volume Charge	\$ 4.01	\$ 3.39				
10	Revenue from Volumetric Charge	\$ 27,103	\$ 29,547				\$ 56,650
11	Total Historical Test Year Adjustment	\$ 46,186	\$ 35,266	\$ 3,608	\$ 1,905	\$ 805	\$ 87,770

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3A-1b

CUSTOMER GROWTH REVENUE ADJUSTMENT - INDUSTRIAL CUSTOMER LOSS REVENUE ADJUSTMENT

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Facility Charge/Bill (b)	1st Block (c)	2nd Block (d)	Total (e)
1	DUPONT/Edgemoor				
2	10" Meter	\$410.20	\$ 3.1697	\$ 2.3659	
3	Test Year Bills	12			
4	Test Year Volumes		16,800	439,612	
5	Revenues Lost	\$ 4,922	\$ 53,251	\$ 1,040,078	\$ 1,098,251
6	DUPONT/Stine Labs				
7	6" Meter	\$ 219.74	\$ 3.1697	\$ 2.3659	
8	Test Year Bills	12			
9	Test Year Volumes		489	-	
10	Revenues Lost	\$ 2,637	\$ 1,550	\$ -	\$ 4,187
11	Claymont Steel				
12	6" Meter	\$ 219.74	\$ 3.1697	\$ 2.3659	
13	Test Year Bills	5			
14	Test Year Volumes		2,169	-	
15	Revenues Lost	\$ 1,099	\$ 6,875	\$ -	\$ 7,974
16	Total				
17	10" Meter Bills	12			
18	6" Meter Bills	17			
19	Volumes Lost		19,458	439,612	
20	Revenues Lost	\$ 8,658	\$ 61,676	\$ 1,040,078	\$ 1,110,412

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3A-2

NORMALIZE REVENUE ADJUSTMENT

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Residential (b)	Commercial (c)	Public Authority (d)	Total (e)
<u>Normalization - Volumetric Adjustment Calculation</u>					
1	Average Volumes per Norms (1)	4.15			
2	Normalized Bills (2)	410,652			
3	Normalized Volumes	1,704,527	1,040,171	28,145	2,772,842
4	Actual Historical TY Volumes (3)	1,776,630	1,133,623	30332	2,940,585
5	Normalization Adjustment	(72,103)	(93,452)	(2,187)	(167,743)
<u>Normalization - Revenue Adjustment Calculation</u>					
6	Weighted Average Volume Charge	\$ 4.006	\$ 3.390	\$ 2.974	
7	Normalization Adjustment	\$ (288,841)	\$ (316,766)	\$ (6,506)	\$ (612,112)

(1) Residential, Commercial and Public Authority reflects 10 years trending of monthly usage.

(2) Test Year customer count x 12 months

(3) Test year volumes billed.

(4) From WP Revenue Adjustment File

SUEZ Water Delaware
Minimum Filing Requirements of the
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REVENUE ADJUSTMENTS

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.2 Revenues

- 5.2.6 Adjustments to test period revenues should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3A with appropriate adjustments referenced to the amounts shown on Schedule 3A.

Response:

See MFR 5.2.5 and the testimony of Chuck Loy.

NORMALIZE OTHER REVENUES

WP-3A Other Revenues

	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>Test Period</u>	
Miscellaneous service revenue (1)	\$5,439	\$40,333	\$35,140	\$26,971	(1) Three Year Average
Rents from water property (2)	\$236,437	\$232,546	\$247,062	\$93,476	(2)
Other water rev - late charges	\$136,840	\$132,867	\$134,108	\$134,605	Three Year Average
Meter reset fees	\$13,350	\$24,530	\$23,795	\$20,558	Three Year Average
Total	\$392,066	\$430,277	\$440,105	\$275,610	<u>(\$164,495)</u> Decrease

(1) Misc service revenue was adjusted for a one time unusual nonrecurring penalty charge from a prior years contract in 2014 and for intercompany sales for Resale which are booked to Misc Service Revenues starting in May 2013 as follows:

	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2015</u>
Misc Service Revenues	\$103,325	\$411,677	\$156,870
Less: Nonrecurring penalty charge		(\$189,862) *	
Less: Sales for Resale Revenue	(\$97,886)	(\$181,482)	(\$174,559) **
Add Back: Bill May & Sept bill adjustments to Refinery			\$52,829
	<u>\$5,439</u>	<u>\$40,333</u>	<u>\$35,140</u>

* Detail of 2014 Penalty Charges:

<u>Journal</u>	<u>CA</u>	<u>Acct</u>	<u>Depmnt</u>	<u>Project</u>	<u>Affiliate</u>	<u>Amount</u>	<u>Date</u>	<u>Journal Line Description</u>
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$17,428)	2014-01-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,759)	2014-02-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,759)	2014-03-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,759)	2014-04-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,358)	2014-05-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,358)	2014-06-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$14,358)	2014-07-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$16,963)	2014-08-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$16,963)	2014-09-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$16,963)	2014-10-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$17,096)	2014-11-15	Miscellaneous service revenue
WATR_INTR	415	40200	100	WATR_INTR	00029	(\$17,096)	2014-12-15	Miscellaneous service revenue
Total Penalties						<u>(\$189,862)</u>		

** Detail of Interco Sales for Resale

	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2015</u>
September		\$15,780	\$15,444
August		\$15,780	\$15,444
July		\$13,638	\$13,191
June		\$13,638	\$13,191
May		\$13,638	\$13,191
April		\$14,019	\$13,536
March	21260	\$14,019	\$13,536
February	\$17,289	\$14,019	\$13,536
January	\$17,289	\$16,554	\$15,903
December	\$14,016	\$16,554	\$15,903
November	\$14,016	\$16,554	\$15,903
October	\$14,016	\$17,289	\$15,780
	<u>\$97,886</u>	<u>\$181,482</u>	<u>\$174,559</u>

(2) Normalize Lease/Rent Revenues:

	<u>Current Rates</u>	<u>Estimated Increase</u>	<u>Test Period Monthly Rates</u>	<u>Test Year</u>	<u>Remove 75% of Cell Tower Revenue to Shareholders</u>	<u>Test Period</u>
Pepsi	\$800	\$200	\$1,000	\$12,000		\$12,000
Boyko	\$1,100	0	\$1,100	\$13,200		\$13,200
Office	\$1,246	2.00%	\$1,271	\$15,251		\$15,251
AT&T	\$2,803	2.00%	\$2,859	\$34,312	(\$25,734)	\$8,578
AT&T	\$2,697	2.00%	\$2,751	\$33,009	(\$24,757)	\$8,252
Verizon	\$2,814	2.00%	\$2,870	\$34,441	(\$25,830)	\$8,610
Sprint	\$3,117	4.00%	\$3,242	\$38,900	(\$29,175)	\$9,725
T-Mobile	\$5,724	4.00%	\$5,953	\$71,439	(\$53,579)	\$17,860
				<u>\$252,552</u>		<u>\$93,476</u>

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3B

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description	TEST YEAR			TEST PERIOD				
		Total Company per Books	Allocation Percentage	Allocated Total	O&M Adjustments	Source Reference	Pay/Benefits Adjustments	Sch. Reference	As Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Source of Supply Expenses</u>									
<i>Operation</i>									
1	Operation Supervision and Engineering	\$ -	100%	\$ -	\$ -		\$ -		\$ -
2	Operating Labor and Expenses	-	100%	-	-		-		-
3	Purchased Water	1,183,281	100%	1,183,281	260,000	WP 3B-1	-		1,443,281
4	Miscellaneous Expenses	74,403	100%	74,403	20,000	WP 3B-6	-		94,403
5	Total Operation	<u>\$ 1,257,684</u>		<u>\$ 1,257,684</u>	<u>\$ 280,000</u>		<u>\$ -</u>		<u>\$ 1,537,684</u>
<i>Maintenance</i>									
6	Maintenance of Structures and Improvements	\$ -	100%	\$ -	\$ -		\$ -		\$ -
7	Maintenance of Collecting and Impounding Res.	-	100%	-	-		-		-
8	Maintenance of Lake, River and Other Intakes	-	100%	-	5,126	WP 3B-7	-		5,126
9	Maintenance of Supply Mains	87	100%	87	-		-		87
10	Total Maintenance	<u>\$ 87</u>		<u>\$ 87</u>	<u>\$ 5,126</u>		<u>\$ -</u>		<u>\$ 5,213</u>
11	Total Source of Supply Expenses	<u><u>\$ 1,257,771</u></u>		<u><u>\$ 1,257,771</u></u>	<u><u>\$ 285,126</u></u>		<u><u>\$ -</u></u>		<u><u>\$ 1,542,897</u></u>
<u>Pumping Expenses</u>									
<i>Operation</i>									
12	Operation Supervision and Engineering	\$ -	100%	\$ -	\$ -		\$ -		\$ -
13	Fuel or Power Purchased for Production	1,249,168	100%	1,249,168	(\$78,554)	WP 3B-2	-		1,170,614
14	Pumping Labor and Expenses	4,279	100%	4,279	-		-		4,279
15	Miscellaneous Expenses	33,396	100%	33,396	-		-		33,396
16	Rents	5,558	100%	5,558	-		-		5,558
17	Total Operation	<u>\$ 1,292,401</u>		<u>\$ 1,292,401</u>	<u>\$ (78,554)</u>		<u>\$ -</u>		<u>\$ 1,213,847</u>
<i>Maintenance</i>									
18	Maintenance Supervision and Engineering	\$ -	100%	\$ -	\$ -		\$ -		\$ -
19	Maintenance of Structures and Improvements	-	100%	-	-		-		-
20	Maintenance of Power Production Equipment	4,161	100%	4,161	-		-		4,161
21	Maintenance of Pumping Equipment	33,212	100%	33,212	-		-		33,212
22	Total Maintenance	<u>\$ 37,373</u>		<u>\$ 37,373</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 37,373</u>
23	Total Pumping Expenses	<u><u>\$ 1,329,774</u></u>		<u><u>\$ 1,329,774</u></u>	<u><u>\$ (78,554)</u></u>		<u><u>\$ -</u></u>		<u><u>\$ 1,251,220</u></u>
<u>Water Treatment Expenses</u>									
<i>Operation</i>									
24	Operation Supervision and Engineering	\$ 1,401,739	100%	\$ 1,401,739	\$ -		\$ 116,654	WP 3C	\$ 1,518,393
25	Chemicals	927,743	100%	927,743	(33,339)	WP 3B-3	-		894,404
26	Operating Labor and Expenses	288,467	100%	288,467	-		9,031	WP 3C	297,498
27	Miscellaneous Expenses	211,239	100%	211,239	-		210	WP 3C	211,449
28	Total Operation	<u>\$ 2,829,188</u>		<u>\$ 2,829,188</u>	<u>\$ (33,339)</u>		<u>\$ 125,894</u>		<u>\$ 2,921,743</u>

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3B

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description	TEST YEAR			TEST PERIOD				
		Total Company per Books	Allocation Percentage	Allocated Total	O&M Adjustments	Source Reference	Pay/Benefits Adjustments	Sch. Reference	As Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Water Treatment Expenses (Cont.)</u>									
<u>Maintenance</u>									
1	Maintenance Supervision and Engineering	\$ 237,856	100%	\$ 237,856	\$139,056	WP 3B-4	\$ 19,297	WP 3C	\$ 396,208
2	Maintenance of Structures and Improvements	545,835	100%	545,835	-		301	WP 3C	546,136
3	Maintenance of Water Treatment Equipment	32,661	100%	32,661	-		-		32,661
4	Total Maintenance	<u>\$ 816,351</u>		<u>\$ 816,351</u>	<u>\$ 139,056</u>		<u>\$ 19,597</u>		<u>\$ 975,004</u>
5	Total Water Treatment Expenses	<u>\$ 3,645,539</u>		<u>\$ 3,645,539</u>	<u>\$ 105,716</u>		<u>\$ 145,492</u>		<u>\$ 3,896,748</u>
<u>Transmission and Distribution Expenses</u>									
<u>Operation</u>									
6	Operation Supervision and Engineering	\$ 43,446	100%	\$ 43,446	\$ -		\$ 4,217	WP 3C	\$ 47,663
7	Storage Facilities Expenses	-	100%	-	-		-		-
8	Transmission and Distribution Lines Expenses	668,569	100%	668,569	-		52,205	WP 3C	720,774
9	Meter Expenses	224,120	100%	224,120	-		17,410	WP 3C	241,531
10	Customer Installations Expenses	8,033	100%	8,033	-		-		8,033
11	Miscellaneous Expenses	101,036	100%	101,036	-		3,308	WP 3C	104,344
12	Rent	70,049	100%	70,049	-		-		70,049
13	Total Operation	<u>\$ 1,115,253</u>		<u>\$ 1,115,253</u>	<u>\$ -</u>		<u>\$ 77,140</u>		<u>\$ 1,192,393</u>
<u>Maintenance</u>									
14	Maintenance Supervision and Engineering	\$ 40,229	100%	\$ 40,229	\$ -		\$ 3,040	WP 3C	\$ 43,269
15	Maintenance of Structures and Improvements	43,272	100%	43,272	-		1,658	WP 3C	44,930
16	Maintenance of Dist. Reservoirs & Standpipes	35,120	100%	35,120	-		23	WP 3C	35,143
17	Maintenance of Trans. & Distribution Mains	131,955	100%	131,955	-		7,546	WP 3C	139,501
18	Maintenance of Services	341,379	100%	341,379	-		21,595	WP 3C	362,974
19	Maintenance of Meters	-	100%	-	-		-		-
20	Maintenance of Hydrants	21,918	100%	21,918	-		1,185	WP 3C	23,104
21	Maintenance of Miscellaneous Plant	717	100%	717	-		-		717
22	Total Maintenance	<u>\$ 614,590</u>		<u>\$ 614,590</u>	<u>\$ -</u>		<u>\$ 35,047</u>		<u>\$ 649,637</u>
23	Total Water Treatment Expenses	<u>\$ 1,729,843</u>		<u>\$ 1,729,843</u>	<u>\$ -</u>		<u>\$ 112,187</u>		<u>\$ 1,842,030</u>
<u>Customer Account Expenses</u>									
<u>Operation</u>									
24	Supervision	\$ 11,032	100%	\$ 11,032	\$ -		\$ 864	WP 3C	\$ 11,896
25	Meter Reading Salaries	97,994	100%	97,994	-		7,239	WP 3C	105,233
26	Meter Reading Expenses	-	100%	-	-		-		-
27	Meter Reading Transportation	-	100%	-	-		-		-
28	Customer Records & Coll. Expenses-Labor	-	100%	-	-		-		-
29	Customer Records & Coll. Expenses-Supplies	-	100%	-	-		-		-

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Schedule No. 3B

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	TEST YEAR			TEST PERIOD				
		Total Company per Books (b)	Allocation Percentage (c)	Allocated Total (d)	O&M Adjustments (e)	Source Reference (f)	Pay/Benefits Adjustments (g)	Sch. Reference (h)	As Adjusted (i)
30	Customer Records & Coll. Expenses-Postage	-	100%	-	-		-		-
31	Customer Records & Coll. Expenses-Computer	-	100%	-	-		-		-
	Customer Account Expenses - Operation (Cont.)								
1	Customer Records & Coll. Expenses-Collection	\$ 1,200,712	100%	\$ 1,200,712	(\$32,155)	WP 3B-5	\$ 64,711	WP 3C	\$ 1,233,268
2	Customer Records & Coll. Expenses	-	100%	-	-		-		-
3	Uncollectible Accounts	100,631	100%	100,631	-		-		100,631
4	Miscellaneous Customer Accounts Expense	21,220	100%	21,220	-		-		21,220
5	Total Customer Account Expenses	\$ 1,431,589		\$ 1,431,589	\$ (32,155)		\$ 72,814		\$ 1,472,247
	Sales Expense								
	Operation								
6	Supervision	\$ -	100%	\$ -	\$ -		\$ -		\$ -
7	Total Sales Expenses	\$ -		\$ -	\$ -		\$ -		\$ -
	Administrative and General Expenses								
	Operation								
8	Administrative and General Salaries	\$ 1,573,356	100%	\$ 1,573,356	\$ -		\$ 206,347	WP 3C	\$ 1,779,704
9	Office Supplies and Other Expenses	75,859	100%	75,859	-		-		75,859
10	Administrative Expenses Transferred	(1,018,931)	100%	(1,018,931)	-		(82,706)	3C	(1,101,637)
11	Outside Services Employed	429,557	100%	429,557	(428,669)	WP 3B-9, 12	(74,972)	3C	(74,084)
12	Property Insurance	190,821	100%	190,821	(14,252)	WP 3B-12	-		176,569
13	Injuries and Damages	60,993	100%	60,993	-		49,001	3C	109,994
14	Employee Pension and Benefits	1,849,576	100%	1,849,576	-		(240,017)	3C	1,609,558
15	Regulatory Commission Expenses	80,929	100%	80,929	115,000	MFR 5.3.13	-		195,929
16	Miscellaneous General Expenses	125,463	100%	125,463	718,969	WP 3B-8, 11, 12	(18,876)	3C	825,556
17	Total Operation	\$ 3,367,624		\$ 3,367,624	\$ 391,048		\$ (161,224)		\$ 3,597,449
	Maintenance								
18	Maintenance of General Plant	\$ -	100%	\$ -	\$ -		\$ -		\$ -
19	Total Maintenance	\$ -		\$ -	\$ -		\$ -		\$ -
20	Total Administrative and General Expenses	\$ 3,367,624		\$ 3,367,624	\$ 391,048		\$ (161,224)		\$ 3,597,449
21	Total Operation and Maintenance Expenses	\$ 12,762,141		\$ 12,762,141	\$ 671,182		\$ 169,268		\$ 13,602,591
22	Depreciation Expense	\$ 3,165,586	100%	\$ 3,165,586	\$ 491,206	WP 2C-2	\$ -		\$ 3,656,792
23	Taxes Other than Income	\$ 1,711,810	100%	\$ 1,711,810	\$ 105,887	WP 3B-10	\$ 38,244	3C	\$ 1,855,940
24	Total Operating Expenses	\$ 17,639,536		\$ 17,639,536	\$ 1,268,274		\$ 207,512		\$ 19,115,323

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSE ADJUSTMENTS

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.3 Operating Expenses

- 5.3.2 Adjustments to test period operating expenses should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3B with appropriate adjustments referenced to the adjustment amounts shown in Schedule 3B.

Response:

Please see the attached workpapers.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-1****Purchase Water Expense**

Test Year Purchase Water	\$1,183,281
Increase in Hoops Contract (1)	\$260,000
Test Period Purchase Water	<u><u>1,443,281</u></u>
Adjustment	<u><u>\$260,000</u></u>

-
- (1) Reflect City of Wilmington proposed Hoops 5-year contract for 200 million gallons per year for \$320,000 with no release fees.

Proposed Hoops Contract	\$320,000
Test Year Hoops Contract	<u>\$60,000</u>
Annual Increase	\$260,000

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-2****Purchase Power Expense**

Test Year Purchase Power Expense		\$1,265,263
Upcoming Test Period Increase of 3.7%		\$46,815
Normalize Volumes (2)	-12.37%	(\$162,262)
Test Period Increase For Aquifer Recovery Program (3)	3.03%	\$38,393
Reduction Related to Sewer Connection (4)		(\$1,500)
Total Test Period Purchase Power		<u><u>\$1,186,709</u></u>
Adjustment		<u><u>(\$78,554)</u></u>

-
- (1) Purchase power increase to \$.061 from \$.06 or 1.7% plus estimated 2% wire delivery charges from pending rate case for total of 3.7%.

(2) <i>a</i> Total Adjustment to Volumes	(611,330)
<i>b</i> Adjust for Test Year Non-Rev Water @19.26% (Line a/(1-.1926))	(757,159)
<i>c</i> Total Water Produced - Test Year	6,122,529
<i>e</i> Percent of Reduction (Line b / Line c)	-12.37%
(3) <i>a</i> Total Adjustment to Volumes	150,000
<i>b</i> Adjust for Test Year Non-Rev Water @19.26% (Line a/(1-.1926))	185,782
<i>c</i> Total Water Produced - Test Year	6,122,529
<i>e</i> Percent of increase (Line b / Line c)	3.03%

- (4) Research/assessment of test year operation expenses related to the sludge press elimination. Refer to WP Sch 3B-4 Swr Connect.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-3****Chemical Expense**

Test Year Chemical Expense		\$922,873
Anticipated Cost Increase (1)		\$83,059
Normalize Volumes (2)	-12.37%	(\$124,401)
Test Period Increase For Aquifer Recovery Program (3)	3.03%	\$28,004
Reduction Related to Sewer Connection (4)		(\$20,000)
Total Test Period Chemical Expense		<u><u>\$889,534</u></u>
Adjustment		<u><u>(\$33,339)</u></u>

(1) Anticipated Test Period increase of 9%.

(2) a Total Adjustment to Volumes	(611,330)
b Adjust for Test Year Non-Rev Water @19.26% (Line a/(1-.1926))	<u>(757,159)</u>
c Total Water Produced - Test Year	<u>6,122,529</u>
e Percent of Reduction (Line b / Line c)	-12.37%

(3) a Total Adjustment to Volumes	<u>150,000</u>
b Adjust for Test Year Non-Rev Water @19.26% (Line a/(1-.1926))	<u>185,782</u>
c Total Water Produced - Test Year	<u>6,122,529</u>
e Percent of increase (Line b / Line c)	<u>3.03%</u>

(4) Research/assessment of test year operation expenses related to the sludge press elimination.
Elimination of 8,100 lbs of polymer . Refer to WP Sch 3B-4 Swr Connect.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-4****Sewer Connection Expense (1)**

Test Period Annual County Sewer Connection Expense (2)	<u><u>\$237,500</u></u>
Remove Sludge Hauling Costs (3)	(\$98,445)
Net of Adjustments	<u><u>\$139,056</u></u>

- (1) SWD planned elimination of sludge press by substituting disposal of sludge through connection with the County sewer system. This will result in more efficient use of the labor force, improve reliability of sludge removal and eliminate other imbalances and bottlenecks in the treatment process. In addition, the removal of the sludge press will improve safety by removing potential hazards associated with operating the press and from hauling operations. On top of these benefits stemming from eliminating sludge hauling operations, environmental benefits will accrue, through elimination of vehicle emissions currently generated by sludge hauling trucks.

(2) County Sewer Billing Cost Per Day Calculation

Wastewater Strength	Lbs/1000		1000/Gal	Total Lbs	\$/lb	Cost/day
	MG/1	Gal				
Avg BOD	62.419	0.521	19.876	10.347	\$0.372	\$3.851
Avg TSS	6,654.537	55.499	19.876	1,103.095	\$0.505	\$557.492
Flow Q/1000			19.876		\$4.495	<u>\$89.342</u>
Total Cost/day						\$650.69
Days Per Year						<u>365</u>
Test Period Sewer Cost						<u><u>\$237,500</u></u>

- (3) Eliminate Test Year sludge hauling costs due to elimination of filter press.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-5****Normalize Customer Care and Costs Due to Billing Change from Quarterly to Monthly (1)**

	Postage (2)	CC&B (3)	Net Adjustments
Postage Office/Non-billing	\$3,000		
Bill Printing/Envelopes		\$76,260	
Postage - Billing only		\$187,873	
Total Test Period	\$3,000	\$264,133	
Test Year	\$115,256	\$184,032	
Adjustments	(\$112,256)	\$80,101	(\$32,155)

-
- (1) The Quarterly to Monthly Transition was started and completed during the last half of the Test Year.
- (2) Test Period Postage Costs will be moved from Acct 90450 to CC&B Acct 50405. Test Period estimated non-billing Postage for internal office use is \$3,000.
- (3) Reflects costs for bills, collection letters, turn off notices, ebills and miscellaneous billing

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-6****Proposed Recovery of Delaware River Basin Commission (DRBC) Charge (1)**

Total Cost Paid and Requested for Recovery	\$300,000
Proposed Recovery Period (Years)	<u>15</u>
Annual Expense/Adjustment	<u><u>\$20,000</u></u>

-
- (1) This adjustment amortizes the amount agreed to by the Company for reimbursement of water allocation billings overlooked by DRBC to Acct 92050.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-7****Proposed Recovery of Watershed Control Plan Costs**

Grants Provided to Conservation Districts	\$30,032
Costs of Provided Vegetation	\$3,803
Watershed Consulting Costs	<u>\$165,221</u>
Total Watershed Protection	\$199,056
Proposed Recovery Period (Years)	<u>5</u>
Annual Expense/Adjustment	<u><u>\$39,811</u></u>
Remove Test Year Conservation Costs (1)	<u><u>(\$34,685)</u></u>
Net Adjustments	<u>\$5,126</u>

(1) Charged to Acct 50410 during test year. \$12,800 for Grants, \$525 Vegetation and \$21,360 Consulting

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-8****Vehicle Leasing and Related Transportation Costs (1)**

Test Period Monthly Vehicle Fleet Lease Costs	\$16,866
Test Period Avg. Monthly Vehicle Fleet Fuel Costs	\$10,000
Test Period Avg. Monthly Vehicle Fleet Repair Costs	\$3,000
Test Period Avg. Monthly GPS Costs (2)	\$1,343
Total Test Period Monthly Vehicle Fleet Costs	\$31,209
Annualize	12
Gross Test Period Vehicle Fleet Costs	\$374,510
Remove Capitalized Amount 18.00%	(\$67,412)
Test Period Vehicle Fleet Expense	\$307,098
Total Test Year Vehicle Fleet Costs (3)	\$174,415
Adjustment	\$132,683

(1) Reflects vehicle fleet in operation during the Test Year and planned replacement and new leases that will be active by Test Period in Acct 50645.

(2) GPS Monthly Fee (\$30 Per Month Per Vehicle)	\$1,110
Initial Installation Cost Per Vehicle \$275/ X 37 Vehicles	\$10,175
Amort Avrg Lease of 6 Years $\$10,175 / (6 \text{ years} \times 12 \text{ months}) =$	\$141
Ongoing Installation Cost @ 4 Per Year	\$92
Total Monthly GPS Costs	\$1,343

	TY Per Books	Test Year Dist	Test Period Dist
(3) Transportation cost - other -OPERATION	\$95,521	54.77%	\$72,666
Transportation cost - other MAINT	\$31,245	17.91%	\$23,769
Transportation cost - other A&G	\$47,649	27.32%	\$36,248
	<u>\$174,415</u>		

MFR 5.3.2

SUEZ WATER DELAWARE, INC.

Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3B-9

Cross Connection Surveys (1)

Number of Surveys Required Each Year	600
Cost Per Survey	<u>\$50</u>
Total Annual Cross Connection Cost	<u>\$30,000</u>

-
- (1) To meet upcoming State of Delaware regulations required for cross connections and back flow to meet public health concerns. Charged to Acct. 50400.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-10****Property/Real Estate Tax (1)**

Test Year Property/Real Estate Tax	\$1,408,016
Test Year Gross Plant In Service	\$160,440,432
Effective Tax Rate	0.00878
Test Period Gross Plant In Service	\$172,505,981
Test Period Property Tax	<u><u>\$1,513,903</u></u>
Adjustment	<u><u>\$105,887</u></u>

(1) Reflects latest tax bills available.

MFR 5.3.2
SUEZ WATER DELAWARE, INC.
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3B-11

Customer Convenience Costs (1)

Test Year Credit Card Payments	35,047
25% Increase in Credit Card Payments due to Policy Change	8,762
Test Period Credit Card Payments	43,809
Cost per Credit Card Payment Occurance	\$1.99
Test Period Customer Convenience Cost	<u><u>\$87,179</u></u>

(1) To reflect credit card payment policy change to improve customer convenience/relations. Acct. 92600.

MFR 5.3.2**SUEZ WATER DELAWARE, INC.****Minimum Filing Requirements of the Delaware Public Service Commission****Schedule No. 3B-12****Management Service Fees (1)****Test Period**

Remove Test Year Fees That Will Be Included in Management Service Fees Going Forward:

<u>Acct</u>	<u>Description</u>		
50405	CC&B Support Costs (2)	CCB IT Support	(\$47,788)
91250	Outside Services - IS	Other IT Corporate A	(\$166,138)
91350	Outside service - other	Other Corporate	(\$5,660)
91310	Outside Serv - Mgt Fees Other	R+I Alliance	(\$48,920)
91100	Outside service - acctg & audg	Audit Fees	(\$32,347)
91350	Outside service - other	WorkCare	(\$1,614)
91450	General corporate insurance	General Casualty	(\$184,081)
91400	Property insurance	Property	(\$14,252)
92150	Staff mtgs, conf's & seminars	WIKTI	(\$5,023)
90500	Club and professional dues	AWWARF	(\$11,308)
92150	Staff mtgs, conf's & seminars	Training & Recruitin	(\$14,003)
91350	Outside service - other	Actuarial Services	(\$19,909)
92150	Staff mtgs, conf's & seminars	PureSafety	(\$2,984)
Total Costs to Remove			(\$554,027)
Test Period Management Service Fee		\$2,372,653	
Less: Test Year Management Service Fee		\$1,792,440	
Increase (decrease) To M&S Fee			\$580,213
Total Net Impact of Increase in M&S Fee and Alloction Methodology			\$26,186

- (1) SUEZ has modified the Management Service Fee allocations. The Test Period Service Fee will include the various costs directly booked during the test year. Thus, these costs need to be removed from Test Year data.
- (2) Excludes CCB Printing Costs

Test Year Payroll Per Books Breakdown

Operations

	<u>Per Books</u>	<u>Gross Payroll</u>
Supervisory labor	\$128,319	\$128,319
Direct labor	\$1,410,904	\$1,410,904
Supervisory labor transferred	\$233	

Maintenance

Supervisory labor	\$175,566	\$175,566
Direct labor	\$245,172	\$245,172
Supervisory labor transferred	\$652	
Direct labor transferred out	(\$7,065)	

G&A

Supervisory labor	\$1,171,563	\$1,171,563
Direct labor	\$898,138	\$898,138
Supervisory labor transferred	\$55,732	
Direct Labor transferred in	\$14	
Supervisory labor trans out	(\$696,077)	
Direct labor transferred out	(\$315,789)	
Total Net Payroll	\$3,067,362	\$4,029,663

Breakdown Trans Between Cap & Salary

<u>Cap</u>	<u>Trans Out</u>	<u>Total</u>
(\$571,379)	(\$124,697)	(\$696,077)
(\$300,418)	(\$15,371)	(\$315,789)
(\$871,798)	(\$140,068)	(\$1,011,866)

Payroll - Test Year / Test Period

Total Payroll	\$4,029,663	\$537,997	\$4,567,660	
Transfer Out	(\$147,133)	(\$41,174)	(\$188,307)	
Transfer In	\$56,630	(\$1,158)	\$55,472	
Capitalize	(\$871,798)	(\$41,532)	(\$913,330)	286,449
Net Payroll	\$3,067,362	\$454,133	\$3,521,495	
All Payroll Tax	\$303,793	\$40,559	\$344,353	(17,344)

Pension Expense

91500 Employee pension cost	\$709,217	(\$21,217)	\$688,000 (2)
91550 Post Retire Health Care Accrue	\$252,375	(\$413,375)	(\$161,000) (3)
Total Pension	\$961,592	(\$434,592)	\$527,000

Other Benefits

91700 Employee group health & life	\$711,516	\$152,051	\$863,566
91800 Employee 401K	\$92,563	\$12,358	\$104,921
91850 Other employee benefits	\$57,894	(\$6,352)	\$51,542 (1)
91860 Other Awards	\$1,867	\$1,533	\$3,400 (1)
92250 Relocation expense	\$24,144	\$0	\$24,144
Total Other Benefits	\$887,984	\$159,590	\$1,047,574
Sub- Total			
91460 Worker compensation	\$60,993	\$49,001	\$109,994 (1)

Capitalize Benefits

90950 Fringe Benefits Transferred	(\$67,453)	(\$18,876)	(\$86,329)
90953 Fringe Ben Trf Capital & Other	(\$428,960)	\$32,669	(\$396,291)

Allocate 90953 Fring Ben Trf

Capitalize PR Tax	(17,344)	(\$2,316)	(\$19,660)
Capitalize Ben	(\$137,833)	(\$19,495)	(\$157,328)
Capitalize 401	(\$17,931)	(\$4,252)	(\$22,183)
Employee pension cost	(\$186,277)	\$84,188	(\$102,089)
Other (91850,91860 & 91460)	(\$69,575)	(\$25,456)	(\$95,031)
Total Alloc	(428,960)	\$32,669	(\$396,291)

(1) From 2016 Budget

(2) Per ASC 715-30 Net Periodic Pension Cost

Union Regulated	\$307,000
Non-Union Regulated	\$381,000

	Total	\$688,000
(3) Per ASC 715-30 Net Periodic Post Retirement	Cost (Income)	
Union Regulated		(\$165,000)
Non-Union Regulated		<u>\$4,000</u>
	Total	(\$161,000)

<u>Water Treatment Expenses</u>	PAYROLL	DIST
Operation Supervision and Engineering	\$884,498	21.68%
Operating Labor and Expenses	\$68,474	1.68%
Miscellaneous Expenses	\$1,591	0.04%
Maintenance Supervision and Engineering	\$146,311	3.59%
Maintenance of Structures and Improvements	\$2,281	0.06%
<u>Transmission and Distribution Expenses</u>		
Operation Supervision and Engineering	\$31,971	0.78%
Transmission and Distribution Lines Expenses	\$395,830	9.70%
Meter Expenses	\$132,010	3.24%
Miscellaneous Expenses	\$25,082	0.61%
Maintenance Supervision and Engineering	\$23,047	0.56%
Maintenance of Structures and Improvements	\$12,572	0.31%
Maintenance of Dist. Reservoirs & Standpipes	\$174	0.00%
Maintenance of Trans. & Distribution Mains	\$57,214	1.40%
Maintenance of Services	\$163,739	4.01%
Maintenance of Hydrants	\$8,988	0.22%
<u>Customer Account Expenses</u>		
Supervision	\$6,548	0.16%
Meter Reading Salaries	\$54,891	1.35%
Customer Records & Coll. Expenses-Collection	\$490,651	12.03%
<u>Administrative and General Expenses</u>		
Administrative and General Salaries	\$1,573,356	38.57%
Total Payroll/Benefits	\$4,079,228	

PAYROLL ADJUSTMENT - Descriptions		Non-Exempt Non-Union Hourly	Exempt	Non-Exempt Union Hourly	Total
1	Test Period Gross Payroll (a)	\$209,810	\$1,411,724	\$2,008,406	\$3,629,940
2	Vacancies to be filled during Test Period (b)	\$65,728	\$174,990	\$82,909	\$323,627
3	Union Shift Pay (Test Year)			\$24,999	\$24,999
4	Total Gross Base Payroll	\$275,538	\$1,586,714	\$2,116,314	\$3,978,566
5	Normalized Bonuses (c)	\$4,960	\$2,392	\$28,666	\$36,018
6	Normalized STIP (c)	\$1,814	\$165,357	\$0	\$167,172
7	Normalized OT (d)	\$6,782		\$269,581	\$276,363
8	Total Gross Normalized Payroll	\$289,094	\$1,754,463	\$2,414,561	\$4,458,118
9	Payroll Transferred Out To Other Jurisdictions (e)		(\$188,307)		(\$188,307)
10	Total Gross Normalized Payroll Adjusted	\$289,094	\$1,566,156	\$2,414,561	\$4,269,811
11	Average Test Period Payroll Increase	2.00%	2.00%	3.00%	
12	Amount of Increase	\$5,782	\$31,323	\$72,437	\$109,542
13	Test Period Gross Normalized Payroll Adjusted	\$294,876	\$1,597,479	\$2,486,998	\$4,379,353
14	Capitalization Rates (f)	16.62%	37.61%	7.75%	
	Less:				
15	Capitalization Amounts ([Line 8+Line 12]*Line 14)	(\$48,997)	(\$671,687)	(\$192,646)	(\$913,330)
16	Division Office Payroll Transferred In (Test Year)		\$55,472		\$55,472
17	Net Payroll Expense	\$245,879	\$981,264	\$2,294,352	\$3,521,495
18	Test Year Payroll Expense				\$3,067,362
19	Test Period Payroll Increase				\$454,133
Payroll Tax Adjustment:					
20	Total Payroll Tax Rate (g)	7.54%			\$344,353
21	Test Year Payroll Tax				\$303,793
22	Test Period Payroll Taxes Increase				\$40,559
401k Adjustment:					
	Total 401k Rate (h)	2.30%			\$104,921
	Test Year Payroll Tax				\$92,563
	Test Period 401k Increase				\$12,358

- (a) See WP-Sch 3C2 Salary Detail
(b) See WP-Sch 3C3 Payroll Adj Support Part A
(c) See WP-Sch 3C3 Payroll Adj Support Part B
(d) See WP-Sch 3C3 Payroll Adj Support Part C
(e) See WP-Sch 3C3 Payroll Adj Support Part D
(f) See WP-Sch 3C3 Payroll Adj Support Part E
(g) See WP-Sch 3C3 Payroll Adj Support Part F

Dept	Job Description	Supervisory & Direct Exempt/Non- Exempt	Pay type	Employee Type	Hourly Wage @:	Annualized	No. of Pays Per Year	2016 Test Period Raise Budgeted
400	Admin Asst	Nonexempt	NH - Hrly	Regular	24.7300	51,438.40		
100	Production Asst	Nonexempt	NH - Hrly	Regular	23.1600	48,172.80		
113	Operations Asst	Nonexempt	NH - Hrly	Regular	24.4600	50,876.80		
205	Admin Asst	Nonexempt	NH - Hrly	Regular	28.5200	59,321.60		
Non Union - Hrly Count				4		209,809.60	26	2.0%
205	Project Engineer	Exempt	NS - Salary	Regular	33.5131	69,707.25		
530	Financial Analyst	Exempt	NS - Salary	Regular	30.4347	63,304.18		
113	Supt T&D	Exempt	NS - Salary	Regular	37.5279	78,058.03		
205	Div GIS Manager	Exempt	NS - Salary	Regular	43.2692	89,999.94	<--- 1/3 to DE	
100	Supv Maintenance/SCADA Analyst	Exempt	NS - Salary	Regular	34.5288	71,819.90	Division: PA / DE / South Jersey	
400	Manager Operations	Exempt	NS - Salary	Regular	49.7596	103,499.97		
205	Dir Engineering	Exempt	NS - Salary	Regular	67.0304	139,423.23		
205	Sr Project Engineer	Exempt	NS - Salary	Regular	48.7646	101,430.37		
405	Public Affairs Mgr	Exempt	NS - Salary	Regular	42.9095	89,251.76		
400	Manager Env Health & Safety	Exempt	NS - Salary	Regular	43.2692	89,999.94		
205	Project Coord	Exempt	NS - Salary	Regular	29.3397	61,026.58		
400	Div Water Quality Manager	Exempt	NS - Salary	Regular	44.4591	92,474.93	<--- 1/3 to DE	
100	Manager Production	Exempt	NS - Salary	Regular	43.4422	90,359.78	Division: PA / DE / South Jersey	
100	Water Quality Spec	Exempt	NS - Salary	Regular	27.3441	56,875.73		
205	GIS Lead	Exempt	NS - Salary	Regular	35.6586	74,169.89		
301	Supervisor Field Services	Exempt	NS - Salary	Regular	33.8088	70,322.30		
304	Supervisor Customer Service	Exempt	NS - Salary	Regular	33.6538	69,999.90		
Non union - Salary Count				17		1,411,723.66	26	2.0%
100	Chief Plant Operator	Nonexempt	UN - Union	Regular	32.0700	66,705.60		
113	Crew Leader	Nonexempt	UN - Union	Regular	31.2100	64,916.80		
113	Crew Leader	Nonexempt	UN - Union	Regular	31.2100	64,916.80		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	20.6200	42,889.60		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	18.2100	37,876.80		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	19.7900	41,163.20		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	20.7400	43,139.20		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	20.3500	42,328.00		
304	Customer Service Rep	Nonexempt	UN - Union	Regular	21.5700	44,865.60		
301	Field Service Representative	Nonexempt	UN - Union	Regular	27.4200	57,033.60		
301	Field Service Representative	Nonexempt	UN - Union	Regular	25.2200	52,457.60		
301	Field Service Representative	Nonexempt	UN - Union	Regular	24.9000	51,792.00		
301	Field Service Representative	Nonexempt	UN - Union	Regular	24.9000	51,792.00		
301	Field Service Representative	Nonexempt	UN - Union	Regular	26.6500	55,432.00		
100	Maintenance Technician	Nonexempt	UN - Union	Regular	29.6000	61,568.00		
100	Maintenance Technician	Nonexempt	UN - Union	Regular	24.2700	50,481.60		
301	Meter Reader	Nonexempt	UN - Union	Regular	21.1200	43,929.60		
305	Meter Reader/Union	Nonexempt	UN - Union	Regular	21.1200	43,929.60		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	28.7600	59,820.80		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	28.7600	59,820.80		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.3900	56,971.20		
100	Plant Operator/Maintenance	Nonexempt	UN - Union	Regular	27.9500	58,136.00		
100	Relief Operator/Maintenance	Nonexempt	UN - Union	Regular	29.7900	61,963.20		
100	Relief Operator/Maintenance	Nonexempt	UN - Union	Regular	29.7900	61,963.20		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	26.5100	55,140.80		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	26.5100	55,140.80		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	27.2700	56,721.60		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	26.5100	55,140.80		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	27.0900	56,347.20		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	26.5100	55,140.80		

113	Utility Worker T&D	Nonexempt	UN - Union	Regular	26,5100	55,140.80		
113	Utility Worker T&D	Nonexempt	UN - Union	Regular	28,3100	58,884.80		
		UN - Union Count		37		2,008,406.40	26	3.0%
		Grand Count		58		3,629,939.66		

A New Positions/Vacancies to be Filled By Test Period End

	<u>Non-Exempt</u>	<u>Exempt</u>	<u>Union</u>
Intern Operator (2080 * \$25.60)	\$53,248		
Two Summer Interns (960 Hrs * \$13.00 per Hr)	\$12,480		
Asset Management Specialist		\$75,005	
Director of Engineering		\$99,986	
Utility Worker T&D			\$49,629
Customer Service Rep			\$33,280
	\$65,728	\$174,990	\$82,909

B Normalize Bonuses and STIP

	<u>Non-Union</u>	<u>Exempt</u>	<u>Union</u>
12/31/2012 Base Pay	\$481,242	\$1,136,913	\$1,519,674
Bonus	\$7,294	\$1,347	\$16,142
Bonus Rate	1.52%	0.12%	1.06%
STIP	\$2,709	\$85,297	\$0
STIP Rate	0.56%	7.50%	0.00%
12/31/2013 Base Pay	\$540,587	\$1,148,465	\$1,584,929
Bonus	\$10,463	\$2,475	\$21,276
Bonus Rate	1.94%	0.22%	1.34%
STIP	\$2,111	\$117,957	\$0
STIP Rate	0.39%	10.27%	0.00%
12/31/2014 Base Pay	\$491,616	\$1,195,023	\$1,568,704
Bonus	\$12,162	\$1,968	\$26,038
Bonus Rate	2.47%	0.16%	1.66%
STIP	\$3,405	\$150,897	\$0
STIP Rate	0.69%	12.63%	0.00%
9/30/2015 Base Pay	\$300,098	\$1,288,987	\$1,910,685
Bonus	\$3,826	\$1,344	\$25,864
Bonus Rate	1.28%	0.10%	1.35%
STIP	\$2,965	\$145,462	\$0
STIP Rate	0.99%	11.28%	0.00%
Average Test Period Rates			
Bonus	1.80%	0.15%	1.35%
STIP	0.66%	10.42%	0.00%

C Normalized Overtime (OT) Calculation (Non-Union & Union Hourly)

	<u>Non-Union</u>	<u>Union</u>
Test Year OT Payroll Costs	\$5,308	\$249,232
Test Year OT Hours	135	6,266
Average Rate (Line 16/Line 17)	\$39.32	\$39.78
Total Regular Hours Per Test Period	8,320	76,960
Average OT Rate (b)	2.07%	8.81%
Last Pay Total Non Exempt Hours	172	6,778
Normalized OT Pay	<u><u>\$6,782</u></u>	<u><u>\$269,581</u></u>

Average OT Hour to Regular Hour Rate

	<u>Non-Union Total Regular Hrs</u>	<u>Non-Union OT Hours</u>	<u>Union Total Regular Hrs</u>	<u>Union OT Hours</u>	<u>Average Non- Union OT Rate</u>	<u>Average Union OT Rate</u>
12/31/2012	22,596	398	61,668	5,975	1.76%	9.69%
12/31/2013	24,799	625	62,189	5,021	2.52%	8.07%
12/31/2014	22,942	665	59,372	5,341	2.90%	9.00%
9/30/2015	12,210	135	73,999	6,266	1.11%	8.47%
			Average OT Rate		<u><u>2.07%</u></u>	<u><u>8.81%</u></u>

D Payroll Transferred to Other Jurisdictions

	<u>Exempt</u>	
Div Engineer	\$99,986	
Div GIS Manager	\$90,000	
Div Water Quality Manager	\$92,475	
Total	\$282,460	
Allocate 2/3rds	\$188,307	Payroll related to PA and South Jersey Services
Delaware	\$94,153	Payroll Related to DE Only

E Average Capitalization Rate

		<u>Non-Union</u>	<u>Exempt</u>	<u>Union</u>	
12/31/2012	PR Capitalized	\$68,879	\$429,066	\$95,253	
	Gross PR	\$504,687	\$1,252,873	\$1,785,208	
	Cap Rate	13.65%	34.25%	5.34%	
12/31/2013	PR Capitalized	\$71,562	\$483,495	\$140,874	
	Gross PR	\$574,196	\$1,275,313	\$1,825,584	
	Cap Rate	12.46%	37.91%	7.72%	
12/31/2014	PR Capitalized	\$66,740	\$522,168	\$151,295	
	Gross PR	\$526,777	\$1,356,351	\$1,833,571	
	Cap Rate	12.67%	38.50%	8.25%	
					<u>TY Total</u>
9/30/2015	PR Capitalized	\$86,428	\$571,379	\$213,990	\$871,798
	Gross PR	\$312,197	\$1,435,793	\$2,210,448	\$3,958,438
	Cap Rate	27.68%	39.80%	9.68%	
Average		<u>16.62%</u>	<u>37.61%</u>	<u>7.75%</u>	

F Calculate Effective Payroll Tax Rate

Test Year Payroll Taxes	\$303,793
Test Year Gross Payroll	<u>\$4,029,663</u>
Effective TY Tax Rate	<u>7.54%</u>

G Calculate Effective 401k Rate

Test Year 401k	\$92,563
Test Year Payroll Expense	<u>\$4,029,663</u>
Effective TY 401k Rate	<u>2.30%</u>

Description	Non-Exempt Non-Union Hourly	Exempt	Non-Exempt Union Hourly	Total
Medical Insurance - Employees	\$35,414	\$238,594	\$454,589	\$728,597
Medical Insurance - Vacancies	\$14,299	\$28,599	\$28,599	\$71,497
Dental Insurance - Employees	\$2,110	\$14,019	\$29,910	\$46,039
Dental Insurance - Vacancies	\$818	\$1,635	\$1,635	\$4,088
Life Insurance Employees	\$729	\$3,610	\$7,945	\$12,283
Life Insurance Vacancies	<u>\$212</u>	<u>\$425</u>	<u>\$425</u>	<u>\$1,062</u>
Total	\$53,582	\$286,882	\$523,103	\$863,566
Capitalization Rates (a)	<u>16.62%</u>	<u>37.61%</u>	<u>7.75%</u>	
Captialized Amounts	(\$8,903)	(\$107,905)	(\$40,520)	(\$157,328)

(a) See WP-Sch 3C3 Payroll Adj Support Part E

DELAWARE PUBLIC SERVICE COMMISSION
SUEZ WATER DELAWARE
DOCKET NO.

WP - Payroll
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FLSA	Job Title	Loc Id	Medical Plan Desc	Medical Coverage Level	Medical Annual Employer Cost	Dental Annual Employer Cost	BASICLIFE Coverage Amount	BASICLIFE Annual Employer Cost	BASICLIFE Plan Desc
Exempt	Manager Env Health & Safety	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$90,000	\$124	Basic Life 1X Annual Salary
Exempt	Sr Project Engineer	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$305,000	\$421	Basic Life 3X Annual Salary
Exempt	Manager GIS Mid-Atlantic Div	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$90,000	\$124	Basic Life 1X Annual Salary
Exempt	Manager Operations	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$104,000	\$144	Basic Life 1X Annual Salary
Exempt	Supervisor Field Services	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$211,000	\$291	Basic Life 3X Annual Salary
Exempt	Water Quality Spec	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$57,000	\$79	Basic Life 1X Annual Salary
Exempt	Financial Analyst	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$0	\$190,000	\$262	Basic Life 3X Annual Salary
Exempt	Supervisor Customer Service	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$415	\$70,000	\$97	Basic Life 1X Annual Salary
Exempt	GIS Lead	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$223,000	\$308	Basic Life 3X Annual Salary
Exempt	Project Coord	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$184,000	\$254	Basic Life 3X Annual Salary
Exempt	Project Engineer	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$70,000	\$97	Basic Life 1X Annual Salary
Exempt	Public Affairs Mgr	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$268,000	\$370	Basic Life 3X Annual Salary
Exempt	Manager Production	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$91,000	\$126	Basic Life 1X Annual Salary
Exempt	Supl T&D	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$415	\$79,000	\$109	Basic Life 1X Annual Salary
Exempt	Dir Engineering	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$866	\$419,000	\$578	Basic Life 3X Annual Salary
Exempt	Supv Maintenance/SCADA Analyst	57	No Coverage		\$0	\$0	\$72,000	\$99	Basic Life 1X Annual Salary
Exempt	Manager Water Quality	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$93,000	\$128	Basic Life 1X Annual Salary
Test Period Exempt Gross					\$238,594	\$14,019		\$3,610	
Exempt	Asset Management Specialist	57	Proxy	Avg Family & Empl Only	\$14,299	\$818	Avg	\$212	
Exempt	Director of Engineering		Proxy	Avg Family & Empl Only	\$14,299	\$818	Avg	\$212	
Test Period Exempt Vacancy Gross					\$28,599	\$1,635		\$425	
Nonexempt	Admin Asst	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$52,000	\$72	Basic Life 1X Annual Salary
Nonexempt	Production Asst	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$145,000	\$200	Basic Life 3X Annual Salary
Nonexempt	Operations Asst	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$153,000	\$211	Basic Life 3X Annual Salary
Nonexempt	Admin Asst	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$178,000	\$246	Basic Life 3X Annual Salary
Test Period Non-Exempt Gross					\$35,414	\$2,110		\$729	
Nonexempt	Intern Operator (2080 * \$25.60)	57	Proxy	Avg Family & Empl Only	\$14,299	\$818		\$212	
Test Period Non Exempt Vacancy Gross					\$14,299	\$818		\$212	
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Maintenance Technician	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$53,000	\$73	Basic Life 1X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ PPO Plan	Employee plus children	\$12,870	\$1,220	\$170,000	\$235	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	No Coverage		\$0	\$863	\$180,000	\$248	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$610	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$415	\$114,000	\$157	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$177,000	\$244	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$166,000	\$229	Basic Life 3X Annual Salary
Union - NE	Meter Reader	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$132,000	\$182	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$166,000	\$229	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Field Service Representative	57	BCBS NJ High Deductible Health Plan	Employee plus children	\$11,929	\$912	\$158,000	\$218	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$866	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Chief Plant Operator	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$201,000	\$277	Basic Life 3X Annual Salary
Union - NE	Meter Reader/Union	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$863	\$132,000	\$182	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$166,000	\$229	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$175,000	\$242	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$124,000	\$171	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$127,000	\$175	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$180,000	\$248	Basic Life 3X Annual Salary
Union - NE	Field Service Representative	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$156,000	\$215	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$415	\$130,000	\$179	Basic Life 3X Annual Salary
Union - NE	Field Service Representative	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$293	\$172,000	\$237	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ PPO Plan	Employee Only	\$7,150	\$1,220	\$166,000	\$229	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	No Coverage		\$0	\$912	\$129,000	\$178	Basic Life 3X Annual Salary
Union - NE	Field Service Representative	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$863	\$156,000	\$215	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ High Deductible Health Plan	Employee plus Spouse/DP	\$13,965	\$866	\$166,000	\$229	Basic Life 3X Annual Salary
Union - NE	Relief Operator/Maintenance	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$186,000	\$257	Basic Life 3X Annual Salary
Union - NE	Plant Operator/Maintenance	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Customer Service Rep	57	BCBS NJ High Deductible Health Plan	Employee Only	\$6,643	\$415	\$135,000	\$186	Basic Life 3X Annual Salary
Union - NE	Relief Operator/Maintenance	57	BCBS NJ High Deductible Health Plan	Family	\$19,929	\$1,220	\$186,000	\$257	Basic Life 3X Annual Salary
Union - NE	Crew Leader	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$195,000	\$269	Basic Life 3X Annual Salary
Union - NE	Utility Worker T&D	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$171,000	\$236	Basic Life 3X Annual Salary
Union - NE	Crew Leader	57	BCBS NJ PPO Plan	Family	\$21,449	\$1,220	\$195,000	\$269	Basic Life 3X Annual Salary
Union - NE	Field Service Representative	57	BCBS NJ PPO Plan	Employee plus Spouse/DP	\$15,015	\$866	\$167,000	\$230	Basic Life 3X Annual Salary
Test Period Union Gross					\$454,589	\$29,910		\$7,945	
Nonexempt	Utility Worker T&D		Proxy	Avg Family & Empl Only	\$14,299	\$818		\$212	
Nonexempt	Customer Service Rep		Proxy	Avg Family & Empl Only	\$14,299	\$818		\$212	
Test Period Non Exempt Vacancy Gross					\$28,599	\$1,635		\$425	

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.3 Operating Expenses

- 5.3.3 Copies of invoices should be attached for raw materials purchased at prices higher than those experienced during the test year and an adjustment is made where a future test period is not used.

Response:

Not applicable.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3C

PAYROLL COSTS

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Test Year (1) (b)	Adjustments (c)	Test Period (2) (d)
Direct Payroll Costs				
1	Total Company Gross Payroll	\$ 4,029,663	\$ 537,997	\$ 4,567,660
2	Amount Capitalized	(871,798)	(41,532)	(913,330)
3	Payroll Transferred Out	(147,133)	(41,174)	(188,307)
4	Payroll Transferred In	56,630	(1,158)	55,472
5	Total Company Payroll Expense	\$ 3,067,362	\$ 454,133	\$ 3,521,495
6	Payroll-Related Taxes	303,793	40,559	344,353
7	Amount Capitalized	(17,344)	(2,316)	(19,660)
Direct Benefit Costs				
8	Pension Expense & OPEB (3)	\$ 961,592	\$ (434,592)	\$ 527,000
9	Amount Capitalized	(186,277)	84,188	(102,089)
10	Other Benefits (4)	887,984	159,590	1,047,574
11	Amount Capitalized	(225,339)	(49,203)	(274,542)
12	Fringe Benefits Transferred	(67,453)	(18,876)	(86,329)
Indirect Benefit Costs				
13	Worker's Compensation	\$ 60,993	\$ 49,001	\$ 109,994
14	Temporary Help	74,972	(74,972)	-
15	Total Payroll and Payroll-Related Costs	4,860,284	207,512	5,067,796

(1) Refer to WP 3C1.5 Pay-Ben Summary

(2) Refer to WP-Sch 3.C1 - Payroll Adjustment and WP-Sch 3C4 Benefits Adj.

(3) Reflects Pension and Post Retirement Benefits. WP-Sch 3C1.5 Pay-Ben Summary shows Pension Test Period Detail

(4) Includes Medical, Dental, Life & Other

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3D

EXECUTIVE COMPENSATION

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line			Bonus, Performance					Total Value of
No.	Name and Title	Annual Base Salary Incl. Deferred Amnts. (1)	Shares or Other Variable Amount	Value of Stock Options Awarded	Benefits (2)	Other (3)	Reference	Compensation Package
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Director -Engineering	\$ 116,229	\$ 28,190	\$ -	N/A	Car		\$ 144,419
2	Manager - Operations	131,162	12,867	-	N/A	Car		144,029
3	Sr. Project Engineer	89,689	15,200	-	N/A	Car		104,889
4	Manager - Env., Health, and Safety	83,751	14,318	-	N/A	Car		98,069
5	Manager - Water Quality (4)	76,731	-	-	N/A	Car		76,731

(1) Based on amounts included in the test period claim

(2) Cash value of special life insurance or medical benefits not provided to rank and file employees

(3) Company Car, Etc.

(4) Transfers 2/3 out to other operations

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSES - DEPRECIATION RATES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.3 Operating Expenses

- 5.3.6 Provide a statement of procedures used for determining depreciation rates utilized to compute the depreciation expense claim (Schedule 3B), including a statement of the depreciation rates either approved by or implicit in the rate determination made by the Commission in the last rate proceeding. Provide a schedule showing the calculations of claimed depreciation expense by major plant categories (if not provided in the detailed supporting adjustments in Item C(2)) if available.

Response:

The company's depreciation rates were approved in Docket 98-98 which were based on a study by Earl Robinson of AUS Consultants. The study used remaining lives, the results of a salvage analysis and the company's vintage plant-in-service investment and depreciation reserve to develop average remaining life depreciation rates. These depreciation rates have been used since they were approved.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSES - DEPRECIATION STUDY

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.3 Operating Expenses

5.3.7 Provide a copy of the most recent depreciation study that is relied on to support the depreciation rates used for the purpose of Schedule 3B if a change in depreciation rates is proposed.

Response:

No change in depreciation rates is proposed.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3E

SALES PROMOTION AND ADVERTISING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Account No. (a)	Description (b)	Test Period	
			Total Utility (c)	Delaware Portion (d)
1	92600	Monthly Bill Communication	\$ 2,957	\$ 2,957
2	92600	Use Water Wisely Communication	4,310	4,310
3	92600	Layout Services - Consumer Confidence Report	2,800	2,800
4		Total	\$ 10,067	\$ 10,067

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3F

CHARITABLE AND EDUCATIONAL EXPENSE

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Account No. *	Description	Test Period	
			Total Utility (c)	Delaware Portion (d)
1	71254	Aetna Hose Hook & Ladder Fire Company	\$ 300	\$ 300
2	71254	American Water Resources Association	500	500
3	71254	Brandywine 100 Fire Company	300	300
4	71254	Christina Fire Company	300	300
5	71254	Christina Conservancy	2,000	2,000
6	71254	Claymont Fire Company	300	300
7	71254	Delaware City Fire Company	300	300
8	71254	Delaware Estuary, Inc.	2,000	2,000
9	71254	Delaware Nature Society	1,000	1,000
10	71254	Girl Scouts of the Chesapeake	200	200
11	71254	Minquas Fire Company	500	500
12	71254	New Jersey Shores Inc.	8,000	8,000
13	71254	Red Clay Valley Association	2,500	2,500
14	71254	Talleyville Fire Company	300	300
15	71254	Taylor Lions Club	50	50
16	71254	The Delaware Kids Fund	500	500
17	71254	United Way	2,000	2,000
18	71254	White Clay Watershed Association	3,000	3,000
19	71254	Water Resources Association of the Delaware River Basin	850	850
20		Total	\$ 24,900	\$ 24,900

* These costs were booked "below the line" in account 71254.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

NET OPERATING INCOME

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.3 Operating Expenses

- 5.3.11 Submit a statement showing amounts spent in the test year and test period on influencing legislation both at the state and national levels which applicant seeks to recovery from ratepayer. Where this activity is less than full time, furnish the basis for allocations of payroll and related costs.

Response:

The Company is not requesting recovery in this case.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3G

SOCIAL AND SERVICE CLUB DUES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Account No. (a)	Social Organization, Service Club or Company Facility (b)	Test Period	
			Total Utility (c)	Delaware Portion (d)
1	92500	AWWARF Dues	\$ 11,308	\$ 11,308
2	92500	NAWC - Delaware Chapter	13,931	13,931
3	92500	American Water Works Association	530	530
4	92500	Delaware Safety Council	600	600
5	92500	Water Resources Association	1,500	1,500
6	92500	American Water Resources Association	254	254
7	92500	Delaware State Chamber of Commerce	965	965
8	92500	New Castle County Chamber of Commerce	1,145	1,145
9	92500	South Jersey Water Professionals Association	75	75
10		Total	\$ 30,309	\$ 30,309

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

COMPARISON OF PROJECTED EXPENSES OF CURRENT CASE TO PRIOR RATE CASE

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Item of Expense (a)	Current Case Estimated (b)	Prior Case Actual (c)	Reasons for Significant Change (d)
1	Legal	\$ 100,000	\$ 38,920	
2	Rate of Return Studies	30,000	15,506	
3	Cost of Service Studies	-		
4	Consultant	200,000		
5	UM M&S Co.	-	147,729	
6	Del. Public Svc. Commission	110,000	93,881	
7	Other Rate Case Expenses	20,000	13,532	
8	Total Rate Case Expenses	\$ 460,000	\$ 309,569	

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate case (a)	Total Expense (b)	Opinion/Order Date (c)	Amortization Period (Months) (d)	Amount Amortized to Date (e)	Write Offs During Test Year (f)
9	Current (Estimated)	\$ 460,000		36		
10	Most Recent	368,163	Case 09-60; 8/9/09	36	368,163	
11	Next Most Recent	470,139	Case 06-174; 1/23/07	36	470,139	

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

NET OPERATING INCOME

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy/Prettyman

MFR

5.3 Operating Expenses

- 5.3.14 Provide a schedule by major expense category of all the amounts charged or credited from each affiliated company for the test year and the test period. Provide the basis of allocation or basis of charging. State whether there has been a change in allocation method or pricing formula since the last general rate case, and, finally, describe the services or products provided in Delaware and the benefits of such arrangements

Response:

A breakdown by expense category of M&S fees for the test year and test period is attached.

Also attached is the Agreement between Wilmington Suburban Water Corporation (now SUEZ Water Delaware) and General Waterworks Management and Service Company (GWM&S) dated January 1, 1974, together with the Assignment and Assumption Agreement dated January 1, 1995, under which United Water Management and Services, Inc. (UWM&S), assumed the rights and obligations of GWM&S. Also attached is the Addendum dated July 1, 1985, under which the method of allocating accounting and data processing charges was changed. The basis of charging and allocation is set forth in the Agreement, and that has not changed from SWDE's last rate case. The services provided are also set forth in the Agreement. The benefits to the customers of SWDE are produced by the availability of a centralized group of water utility professionals to provide specialized services to SUEZ Water Delaware, which is too small to completely staff itself with operations, finance, legal, accounting and management professionals. The charges for these services are provided without profit to SWM&S, which maintains a group of such professionals whose services are provided to all subsidiaries of SWR under identical Agreements.

Also attached is the Agreement between SWD and SUEZ Water Pennsylvania, under which certain services are provided by and between the two companies on an as needed basis. Bills are rendered at cost based on time sheets as provided under the Agreement.

SUEZ Water Delaware Inc.
Affiliate Charges

MFR 5.3.14
Witness Responsible:
Prettyman

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No.

Test Year
12 Months Ended
9/30/2015

<u>Line No.</u>	<u>Department Number</u>	<u>Description</u>	
1	210	Environmental Health and Safety	\$77,028
2	245	Technical Services	14,463
3	255	Operations Support - Quality	82,996
4	400	Office of CEO	78,133
5	401	Office of the COO - Reg	80,623
6	405	Corporate Communications	168,965
7	410	Facilities	45,797
8	415	Human Resources	140,217
9	416	HR - Shared Services	8,097
10	425	IT	145,528
11	445	Procurement	59,387
12	455	Customer Care	111,587
13	460	Revenue Management	10,103
14	500	Accounting	162,165
15	501	Accounts Payable	23,953
16	515	Payroll	20,301
17	520	Taxes	51,920
18	530	Financial Planning	77,447
19	535	Internal Audit	60,183
20	605	Treasury	26,052
21	610	Legal	151,086
22	705	External Affairs	30,948
23	800	Regulatory Business	73,648
24		Other	<u>91,813</u>
25		Total	<u>\$1,792,440</u>

A G R E E M E N T
B E T W E E N
GENERAL WATERWORKS MANAGEMENT AND SERVICE COMPANY
AND
WILMINGTON SUBURBAN WATER CORPORATION

Filed with Delaware Public Service
Regulatory Body

Date 6/19/74

AGREEMENT

Agreement dated January 1, 1974 between GENERAL WATERWORKS MANAGEMENT AND SERVICE COMPANY, a Pennsylvania corporation (hereinafter called the Service Company), and Wilmington Suburban Water Corporation corporation (hereinafter called Utility Company).

The background of this agreement is that:

1. Both Service Company and Utility Company are affiliated with General Waterworks Corporation, a Delaware corporation (hereinafter called General).

2. Service Company maintains an organization whose officers and employees are familiar with all facets of the water utility business including the development, business and property of Utility Company and are experienced in the efficient management, financing, accounting and operation of water works properties and the extension and improvement thereof. Such officers and employees are qualified to be of great aid and assistance to Utility Company through the services to be performed under this agreement.

3. Utility Company can economically secure valuable administrative and operating services of superior quality by contracting to secure the same from Service Company.

4. Service Company has entered or proposes to enter into agreements similar to this agreement with other affiliated utility companies (hereinafter referred to collectively as Utility Companies).

5. The services to be rendered under this agreement are to be rendered at their cost to Service Company, as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

Service Company shall make its qualified employees available to become officers of Utility Company, and such employees may be elected by Utility Company to such positions as president, vice president, secretary, treasurer and controller.

Service Company shall furnish to Utility Company, and Utility Company shall utilize, all the following services upon the terms and conditions hereinafter set forth; provided, however, that Service Company or Utility Company, by mutual consent, may engage a non-affiliated company or person to provide such services on its behalf:

A. ADMINISTRATIVE: Service Company shall make qualified employees available to perform or assist in the performance of Utility Company's corporate administration. In order to render such service and to promote the efficient and economic operation of Utility Company, those employees shall keep themselves informed on all aspects of Utility Company's operations and shall regularly visit Utility Company's facilities. Such administrative personnel shall make recommendations for operating expenditures and for additions to and improvements of property, plant and equipment. Such administrative personnel shall also assist Utility Company in the conduct of proceedings before, and in its compliance with the rulings of, regulatory bodies having jurisdiction over its operations.

B. ENGINEERING: Service Company shall advise and provide engineering services to assist Utility Company in planning, operating, maintenance and construction functions.

It shall assist Utility Company in its operations by conducting distribution system surveys and hydraulic analyses, reviewing procedures for water quality control, and preparing or reviewing maps, charts, operating statistics, reports and other pertinent data.

It shall assist Utility Company in the proper maintenance and protection of its properties by periodic inspection of its structures, tanks, reservoirs, wells and electrical and mechanical equipment.

Such engineering services shall also include the conduct of field investigations as necessary to obtain engineering information and, when required, the preparation of studies, reports, designs and drawings, cost estimates, specifications, and contracts for the construction of additions to or improvements of Utility Company's sources of supply, treatment plant, pumping stations, distribution system, and such other facilities as Utility Company may request.

C. CUSTOMER AND PUBLIC RELATIONS: Service Company shall recommend procedures to promote satisfactory customer and public relations. It shall furnish sales promotional material, including advertising copy, layouts, and scripts. It shall assist in the preparation of news and customer information releases, and in arrangements for public inspections, displays and other related services.

D. EMPLOYEE RELATIONS: Service Company shall assist Utility Company in the procurement of qualified personnel, in the establishment of appropriate rates of pay and in negotiations with bargaining units representing Utility Company's employees. It shall recommend programs for supervision of training and educational assistance, and shall advise on federal and state regulations affecting personnel.

It shall recommend and administer group insurance and pension plans for the benefit of Utility Company. It shall also assist in the establishment of accident prevention and other programs relating to employee health and welfare.

B. ACCOUNTING: Service Company shall keep the general books of account of Utility Company, including records supplemental thereto. It shall prepare monthly financial statements and analyses of accounts of Utility Company and special accounting and financial reports as required by Utility Company. It shall prepare reports on the costs incurred for property additions and improvements and will establish continuing property records as requested.

Service Company shall prepare or assist in the preparation of federal, state and local tax returns for and to the extent required by Utility Company.

Service Company shall keep abreast of and advise Utility Company concerning appropriate accounting theories and principles for Utility Companies and changes therein; it shall advise and assist in the establishment and maintenance of modern record keeping techniques; and it shall review accounting procedures, methods and forms and evaluate systems of internal control for receipt and disbursements of funds, materials and supplies, and other assets.

It shall conduct periodic audits of accounts, records and procedures of Utility Company and submit reports thereon.

F. CORPORATE SECRETARIAL: Service Company shall maintain documents of Utility Company such as minute books, charters, by-laws, contracts, deeds, and other corporate records, and shall administer an orderly program of records retention. It shall maintain, or arrange for the maintenance of, records of stockholders of Utility Company, prepare or arrange for the preparation of stock certificates, perform duties relating to the transfers of stock and perform other corporate secretarial functions as required including preparation of notices of stockholder and director meetings and keeping the minutes thereof.

Service Company shall review, and may assist in the preparation of, documents required by Utility Company such as deeds, easements, contracts, charters, franchises, trust indentures, and regulatory reports.

G. TREASURY: Service Company will coordinate financial arrangements with financial community to arrange and provide for furnishing of Utility Company's entire capital needs from other than internally generated sources.

Service Company shall assist Utility Company in cash management, collection policies, and development of temporary investment programs.

H. PURCHASING: Service Company shall endeavor to arrange for the purchase of equipment, materials, and supplies in volume on a basis advantageous to Utility Company.

I. INSURANCE: Service Company shall review the insurance coverage of Utility Company, recommend the types and limits of insurance adequate for its protection and assist in the placement of such insurance. It shall supervise investigation procedures and review claims and proposals for settlement at request of Utility Company.

J. DATA PROCESSING: Service Company shall make available to Utility Company electronic data processing services, including system analysis and programming, maintaining general accounting records, financial analysis and studies, area consumption patterns, engineering analysis and studies, and such other functions that may be requested by Utility Company.

K. RATES: Service Company will advise and assist in the preparation of rate schedules for Utility Company's services; will prepare, or assist in preparing, the material and exhibits required for Utility Company's rate cases and render advice with respect to the procedure therein and will, at the request of Utility Company, arrange for the employment of such witnesses as may be required.

L. GENERAL: Service Company shall keep abreast of economic, regulatory, governmental and operational developments and conditions that may affect Utility Company and shall advise Utility Company thereof to the extent that they may be important to Utility Company.

ARTICLE II.

In consideration for the services to be rendered by Service Company as hereinabove provided, Utility Company agrees to pay to Service Company the cost thereof determined as provided in this Article II and in Article III.

The extent of service rendered by Service Company personnel for Utility Company or in common with other Utility Companies shall be based on actual time spent by such personnel as reflected in their daily time sheets or other mutually acceptable means of determination.

All costs of Service Company incurred in connection with services rendered by Service Company which can be identified and related exclusively to Utility Company, shall be charged directly to Utility Company.

All costs incurred in rendering services to Utility Company in common with similar services to other Utility Companies which cannot be identified and related exclusively to services rendered to a particular Utility Company, shall be allocated among all Utility Companies so served, or, in the case of costs incurred with respect to services rendered to a particular group of Utility Companies, among the members of such group, in the manner hereinafter set forth:

1. Administrative, Purchasing, Insurance and General Services: 33-1/3% thereof in proportion to the number of employees, 33-1/3% thereof in proportion to the number of customers served, both as of the end of the preceding calendar year, and 33-1/3% thereof in proportion to operation and maintenance expenses (excluding charges under this agreement, regulatory expenses and provisions for depreciation and taxes) for the preceding calendar year.

2. Engineering Services: 40% in proportion to the sum of utility plant in service and construction work in progress accounts less the reserve for depreciation at the end of the preceding calendar year, 40% thereof in proportion to the volume of water delivered during the preceding calendar year, and 20% thereof in proportion to the total of fuel and power and chemical costs during the preceding calendar year. If any company or component of a company served is engaged in both water and sewer service, the volume of water delivered by such company or component thereof engaged in both services shall be doubled for the purposes of this paragraph.

3. Customer Billing and Communications Services: In proportion to the number of customers at the close of the preceding calendar year.

4. Employee Relations Services: In proportion to the number of employees at the close of the preceding calendar year.

5. Accounting and Data Processing Services: In proportion to the number of transactions processed during the preceding calendar year.

6. Treasury Services: Costs will be allocated on the basis of the proportion of the Utility Company's total capitalization to the consolidated capitalization of General at the end of the preceding year.

ARTICLE III.

In determining the cost to be assessed by Service Company for the rendering of services to Utility Companies as herein provided, there shall be added to the salaries of all officers and employees for whose services charges are to be made, a percentage sufficient to cover the general overhead of Service Company properly allocable thereto. Such percentage shall be calculated on the basis of budgeted costs and adjusted bills will be rendered at the end of each year to reflect actual costs. No general overhead of Service Company shall be added to costs incurred for services of non-affiliated consultants employed by Service Company.

The term "general overhead" shall include (a) salaries of secretaries and clerical personnel, (b) salaries of file clerks, messengers, telephone operators, mail clerks and other employees in the general category of office services, (c) pension and insurance premiums paid for the benefit of Service Company employees, (d) salaries paid during vacation, holidays, sickness and other authorized absences, (e) office rent, utilities, depreciation, general office supplies and other similar expenses, (f) legal, auditing and other fees for services rendered to Service Company, and (g) taxes.

ARTICLE IV.

As soon as practicable after the last day of each month, Service Company shall render a bill to Utility Company for all amounts due from Utility Company for services and expenses for such month, computed pursuant to Articles II and III. Such bills shall be in sufficient detail to show separately the charge for each class of service rendered. All amounts so billed shall be paid by Utility Company within a reasonable time after receipt of the bill therefor.

It is understood by Utility Company that Service Company has entered or may enter into similar agreements with other Utility Companies that are affiliated with General to which similar services are to be furnished. Service Company will not enter into agreements to perform similar services for other companies on terms more favorable than those provided herein.

Service Company agrees to keep its books and records available at all times for inspection by representatives of Utility Company or by regulatory bodies having jurisdiction over Utility Company.

Service Company shall at any time, upon request of Utility Company, furnish any and all information required by Utility Company with respect to the services rendered by Service Company hereunder, the cost thereof, and the allocation of such cost among Utility Companies.

This agreement shall be in full force and effect as of the date first mentioned above, subject to any necessary approval of governmental regulatory agencies having jurisdiction in the premises, and shall continue in full force and effect until terminated by either of the parties hereto giving the other party hereto ninety days' notice in writing; provided, however, that this agreement shall terminate as of the date Utility Company or Service Company ceases to be an affiliate of General.

IN WITNESS WHEREOF, SERVICE COMPANY and UTILITY COMPANY have caused these presents to be signed in their respective corporate names by their respective Presidents or Vice Presidents, and impressed with their respective corporate seals attested by their respective Secretaries or Assistant Secretaries, all as of the day and year first above written.

ATTEST:

GENERAL WATERWORKS MANAGEMENT
AND SERVICE COMPANY

A. C. R. Lander
Secretary

By *[Signature]*
Vice President

ATTEST:

A. A. Buck Jr
Asst Secretary

By *R. E. Rabold*
President

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made and entered into as of January 1, 1995 between General Waterworks Management & Service Company, a Pennsylvania corporation ("GWM&S") and UWR Management & Services Company, a New Jersey corporation ("UWRM&S").

W I T N E S S E T H


GWM&S hereby assigns to UWRM&S all of its rights, title, interest and obligations in and to the Contract attached hereto as Exhibit A, which GWM&S has entered into, and which is currently in effect, with each of the utility companies listed on Exhibit B, attached hereto. UWRM&S hereby agrees to be bound by all terms and provisions of the Contract and assumes all the obligations of GWM&S under the Contract.

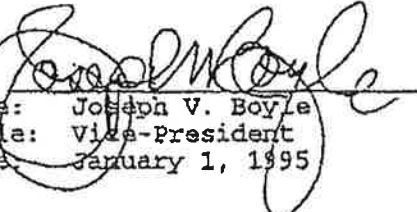
GWM&S and UWRM&S agree to do such further acts and to execute and deliver any further agreements, instruments or documents as may be necessary or appropriate to carry out the purposes of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

ATTEST:


GENERAL WATERWORKS MANAGEMENT
& SERVICE COMPANY

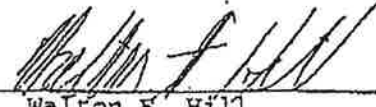

Allan D. Shakley
Secretary

By: 
Name: Joseph V. Boyle
Title: Vice-President
Date: January 1, 1995

ATTEST:

UWR MANAGEMENT & SERVICES COMPANY


Allan D. Shakley
Secretary

By: 
Name: Walton F. Hill
Title: Vice-President
Date: January 1, 1995

ADDENDUM

AGREEMENT

BETWEEN

GENERAL WATERWORKS MANAGEMENT AND SERVICE COMPANY

AND

WILMINGTON SUBURBAN WATER CORPORATION

Filed with: DELAWARE PUBLIC
SERVICE COMMISSION

Date:

ADDENDUM, dated July 1, 1985, to Agreement dated
January 1, 1974 between GENERAL WATERWORKS MANAGEMENT AND
SERVICE COMPANY and WILMINGTON SUBURBAN WATER CORPORATION.

ARTICLE II, Paragraph 5, is changed to read as
follows:

Accounting and Data Processing Services: In
proportion to the capitalization of Utility Company
at the end of the preceding year.

ATTEST:

GENERAL WATERWORKS MANAGEMENT
AND SERVICE COMPANY

Richard L. Hulmes
Assistant Secretary

By:

Sam M. Mott
Senior Vice President

ATTEST:

WILMINGTON SUBURBAN
WATER CORPORATION

(Utility Company)

W.A. Buck Jr.
Asst. Secretary

By:

R.C. Rabold
President

ADDENDUM

AGREEMENT

BETWEEN

GENERAL WATERWORKS MANAGEMENT AND SERVICE COMPANY

AND

WILMINGTON SUBURBAN WATER CORPORATION

Filed with: DELAWARE PUBLIC
SERVICE COMMISSION

Date:

ADDENDUM, dated July 1, 1985, to Agreement dated
January 1, 1974 between GENERAL WATERWORKS MANAGEMENT AND
SERVICE COMPANY and WILMINGTON SUBURBAN WATER CORPORATION.

ARTICLE II, Paragraph 5, is changed to read as
follows:

Accounting and Data Processing Services: In
proportion to the capitalization of Utility Company
at the end of the preceding year.

ATTEST:

GENERAL WATERWORKS MANAGEMENT
AND SERVICE COMPANY

Richard L. Holmes
Assistant Secretary

By:

Sam M. Mott
Senior Vice President

ATTEST:

WILMINGTON SUBURBAN
WATER CORPORATION

(Utility Company)

HA Buck
Asst. Secretary

By:

R. C. Rabold
President

AGREEMENT

Agreement, dated June 20, 2001 between UNITED WATER DELAWARE INC. (hereinafter "UWDE"), a Delaware corporation, with offices at 2000 First State Boulevard, Wilmington, Delaware 19804-0508 and UNITED WATER PENNSYLVANIA INC. (hereinafter "UWPA"), a Pennsylvania corporation, with offices at 4211 East Park Circle, Harrisburg, Pennsylvania 17111.

The background of this Agreement is that:

1. Both UWDE and UWPA are subsidiaries of United Waterworks Inc. (hereinafter "UWW"), a Delaware corporation, with offices at 200 Old Hook Road, Harrington Park, New Jersey 07640.

2. UWW was reorganized based on a geographical concept in which utilities in close proximity to each other provide certain operational and management support to each other, on an as needed basis. Both UWDE and UWPA maintain organizations whose officers and employees are familiar with all facets of the water utility business. Such officers and employees are qualified to render the services to be performed under this Agreement.

3. UWPA and UWDE can economically obtain valuable management and operating services of superior quality by contracting to secure the same from each other as needed from time to time.

4. The services to be rendered under this Agreement are to be rendered at their cost, as hereinafter provided.

5. Both UWDE and UWPA have Service Agreements with United Water Management and Services Inc., which are on file with the appropriate regulatory agencies, and which provide for a broader scope of service functions. Services rendered pursuant to this Agreement will not be duplicative of those rendered pursuant to the Service Agreements.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

UWDE and UWPA shall make their respective qualified employees available to each other to furnish, and each shall utilize, as needed, general management and operations services upon the terms and conditions hereinafter set forth. In order to render such services and to promote the efficient and economic operation of UWPA and UWDE, the officers and employees of each shall keep themselves informed on all aspects of their respective operations. Such personnel may make recommendations for operating expenditures and additions to and improvements of property, plant and equipment. UWDE or UWPA, by mutual consent, may engage a non-affiliated company or person to provide such services on its behalf.

ARTICLE II

In consideration for the services to be rendered as herein above provided, UWDE and UWPA each agree to pay the cost thereof, determined as provided in this Article II and in Article III.

The extent of service rendered shall be based on actual time spent by such personnel, as reflected in their daily time sheets or other mutually acceptable means of determination, and shall be charged directly.

In determining the cost to be assessed for the rendering of services as herein provided, there shall be added to the salaries of all officers and employees for whose services charges are to be made, a percentage sufficient to cover the general overhead properly allocable thereto. Such percentage shall be calculated on the basis of budgeted costs and will be adjusted periodically to reflect actual costs. No general overhead shall be added to costs incurred for services of non-affiliated consultants. In addition, the utility providing service shall be reimbursed for actual travel or other expense of personnel rendering service.

The term "general overhead" shall include (a) pension and insurance, (b) salaries paid during vacation, holidays, sickness and other authorized absences, and (c) payroll-related taxes.

ARTICLE III

As soon as practicable after the last day of each month, UWDE and or UWPA shall render a bill for all amounts due for services and expenses for such month, computed pursuant to Article II. Such bills shall be in sufficient detail to show separately the charge for each class of service rendered. All amounts so billed shall be paid within a reasonable time after receipt of the bill therefor.

It is understood by both UWPA and UWDE that each has entered, or may enter, into similar agreements with other Utility Companies that are affiliated with UWW to which similar services are to be furnished. Neither UWDE nor UWPA will enter into agreements to perform similar services for other companies on terms more favorable than those provided herein.

Both UWDE and UWPA agree to keep their books and records available for inspection by each others' representatives and by regulatory bodies having jurisdiction over each respective utility with respect to information pertaining to services rendered hereunder.

Both UWDE and UWPA shall at any time, upon request of the other, furnish any and all information required with respect to the services rendered hereunder and the cost thereof.

This Agreement shall be in full force and effect as of the date first mentioned above, subject to any necessary approval of governmental regulatory agencies having jurisdiction in the premises, and shall continue in full force and effect until terminated by either of the parties hereto giving the other party hereto ninety days' notice in writing; provided, however, that this Agreement shall terminate as of the date UWPA or UWDE ceases to be an affiliate of UWW.

IN WITNESS WHEREOF, UWDE and UWPA have caused these presents to be signed in their respective corporate names by their respective Presidents or Vice Presidents, and attested by their respective Secretaries or Assistant Secretaries, all as of the day and year first above written.

UNITED WATER DELAWARE INC.

ATTEST:

Suzanne O'Connell
, Secretary

By: Anthony C. Pary

UNITED WATER PENNSYLVANIA INC.

ATTEST:

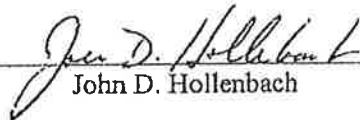
Suzanne O'Connell
, Secretary

By: John D. Helt

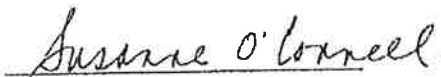
VERIFICATION

STATE OF PENNSYLVANIA)
) ss:
COUNTY OF DAUPHIN)

I, John D. Hollenbach, being duly sworn, depose and state that I am the Vice President and General Manager of United Water Pennsylvania, the corporation named and described in the foregoing Agreement; that I have read the foregoing Agreement and know the contents thereof to be true.


John D. Hollenbach

Sworn to before me this 20th
Day of June, 2001

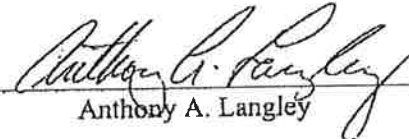

Notary Public

SUSANNE O'CONNELL
Notary Public of Delaware
My Commission Expires May 7, 2003

VERIFICATION

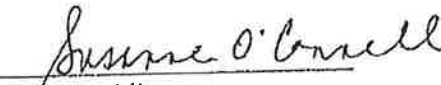
STATE OF DELAWARE)
) ss:
COUNTY OF NEW CASTLE)

I, Anthony A. Langley, being duly sworn, depose and state that I am the Vice President and General Manager of United Water Delaware, the corporation named and described in the foregoing Agreement; that I have read the foregoing Agreement and know the contents thereof to be true.



Anthony A. Langley

Sworn to before me this 20th
Day of June, 2001



Notary Public

SUSANNE O'CONNELL
Notary Public of Delaware
My Commission Expires May 7, 2003

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

C. Operating Expenses

5.3.15 Operating Taxes

- a. Complete Schedule 3I to agree with the amounts shown on Schedule 3, line 12, for the test year and for the test period.
- b. Complete Schedules 3J and 3K in support of the amount of current and deferred state and federal income tax claimed by the utility for ratemaking purposes as reflected in total on Schedule 3I.
- c. Provide a statement of the utility's income tax accounting practice with respect to timing differences related to liberalized depreciation, the Asset Depreciation Range System, accelerated amortization and cost of removal and all other timing differences such as employee benefits and taxes capitalized.
- d. Provide a statement of the utility's accounting practice with respect to Investment Tax Credits (ITC) and Job Development Credits (JDC) including a copy of all elections filed with the Internal Revenue Service related thereto.
- e. Utilities which "normalize" all or any portion of ITC or JDC must complete Schedule 3L.
- f. If the utility is part of an affiliated group of companies and its federal income tax return is filed as part of a consolidated federal income tax return, please provide a statement of the procedure used to allocate the consolidated federal income tax liability, the benefits of the consolidated return, and how those benefits are reflected on the utility's books.
- g. Complete Schedule 3M for all other Federal, State and local taxes for the test year and for the test period.

Response:

- a. b. e. g. – See attached Schedules 3 – I, J, K, L, M.
- c. SUEZ Water Delaware Inc. (SWDE) follows Financial Accounting Standard No. 109, Accounting for Income Taxes, in determining its income tax accounting practice. FAS #109 requires that a deferred income tax asset or liability is recognized for all temporary differences between the tax accounting and financial accounting, which will result in taxable or deductible amounts in the future years when such differences are recovered or settled. SWDE recognizes deferred income taxes on all temporary differences, including liberalized depreciation, the Asset Depreciation Range System, accelerated amortization and cost of removal and all other timing differences such as employee benefits and taxes capitalized.
- d. SUEZ Water Delaware Inc. Elected Option 2, the Ratable Flow-Through method of recognizing Investment Tax Credit (ITC) for regulatory and financial accounting as provided under Internal Revenue Code § 46(f)(2) in 1972. This election requires SWDE to reduce its cost of service (ratably over the life of the asset creating the ITC) by the amortization of the ITC. This method of recognition of ITC requires that SWDE (1) not reduce its rate base by any portion of the ITC and (2) that the cost of service for ratemaking purposes cannot be reduced by more than a ratable portion of the ITC (i.e., no quicker than that ratable over the life of the asset given rise to the ITC).

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OPERATING EXPENSES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

Response (Cont.):

- f. SUEZ Water Delaware Inc. participates in the consolidated tax return filed by Suez Environnement North America Inc., which is a U.S. subsidiary of Suez Environnement. Each member of the U.S. consolidated group prepares its own income tax return on a stand-alone basis and pays the indicated tax to the group, which then pays the aggregate tax to the IRS.

SWD's federal income tax liability is based on its own revenue and costs as reflected in its stand-alone tax return. It has no debt of its own, so the interest expense of its parent and financing vehicle, SUEZ Resources, is allocated and recorded on SWD's books and used as a deduction in calculating income tax expense.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 31

OPERATING TAXES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Test Year		Utility Proposed Test Period	
		Total Utility (b)	Delaware Jurisdiction (c)	Total Utility (d)	Delaware Jurisdiction (e)
1	Federal Income Tax - Current	\$ 1,057,077	\$ 1,057,077	\$ 2,624,821	\$ 2,624,821
2	State Income Tax - Current	291,095	291,095	717,926	717,926
3	Deferred Federal Income Tax	109,025	109,025	109,025	109,025
4	Deferred State Income Tax	29,683	29,683	29,683	29,683
5	Investment Tax Credit	(14,013)	(14,013)	(14,013)	(14,013)
6	State Utility Tax	80,929	80,929	110,680	110,680
7	Other Federal, State and Local Taxes	1,711,810	1,711,810	1,855,940	1,855,940
8	Total Operating Taxes	<u>\$ 3,265,606</u>	<u>\$ 3,265,606</u>	<u>\$ 5,434,061</u>	<u>\$ 5,434,061</u>

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3J

TEST PERIOD FEDERAL AND STATE INCOME TAX

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Test Period	
		Federal (b)	State (c)
1	Net Income Available for Return - Sch. 3, Line 8	4,812,470	
	Additions:		
2	Federal Income Taxes Current	2,624,821	
3	State Income Taxes Current		717,926
4	Deferred State and Federal Income Tax	109,025	29,683
5	Investment Tax Credit		
	Deductions:		
6	Interest Expense (_____ x 3.18%)	2,169,533	
7	Cost of Removal	-	
8	Tax Depreciation in Excess of Book not Normalized	-	
9	Preferred Stock Dividend Credit	-	
10	Miscellaneous Tax Adjustments	-	
11	State Taxable Income (Line 22)	8,384,848	
12	State Income Tax at 8.7%	729,482	
13	Federal Taxable Income	7,655,366	
14	Federal Income Tax at 35%	2,679,378	
15	Less: Surtax Exemption	-	
16	Amortization of Prior Years Job Development Credit	-	
17	Net Federal Income Tax	2,679,378	
18	Net Income Available	\$ 4,812,470	
19	Add Back Income Taxes	3,481,455	
20	Net Income Plus Income Taxes	8,293,925	
21	Plus AFUDC	90,923	
22	Net Income and Taxes, Less Interest Expense	\$ 8,384,848	

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3K

TEST PERIOD DEFERRED FEDERAL AND STATE INCOME TAX

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Test Period	
		Federal (b)	State (c)
	<u>Investment Tax Credit</u>		
1	Provision for Investment Tax Credit as of 9/30/15 - Sch. 3L	\$ 293,665	\$ -
2	Less: Amortization	(14,013)	-
3	Net Provision for Investment Tax Credit as 6/30/16	<u>\$ 279,652</u>	<u>\$ -</u>
	<u>Deferred Income Tax - Depreciation Related</u>		
4	Excess of Tax Depreciation Over Book - Normalized	\$ 341,183	
5	Deferred State Income Tax at 8.7%		\$ 29,683
6	Deferred Federal Income Tax Base	311,500	
7	Deferred Federal Income Tax at 35%	<u>109,025</u>	
	<u>Deferred Income Taxes - Employee Benefits and Taxes (Including Vacation Accrual)</u>		
8	Employee Benefits and Taxes Capitalized	\$ -	
9	Deferred State Income Tax at 8.7%		\$ -
10	Deferred Federal Income Tax Base	-	
11	Deferred Federal Income Tax at 35%	<u>-</u>	
	<u>Summary of Income Taxes Currently Payable and Deferred</u>		
12	Income Tax Currently Payable	\$ 2,624,821	\$ 717,926
	<u>Deferred Income Tax</u>		
13	Depreciation Related	\$ 109,025	\$ 29,683
14	Employee Benefit and Tax Related	-	-
15	Total Deferred Income Taxes	<u>109,025</u>	<u>29,683</u>
16	Job Development Credit	-	-
17	Total Income Taxes	<u>2,733,846</u>	<u>747,609</u>

SUEZ Water Delaware
Minimum Filing Requirements of the Delaware Public Service Commission

Schedule No. 3L

UNAMORTIZED INVESTMENT TAX CREDIT

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Year	Book Life	Unamortized Balance at 12/31/2014	Amount Amortized to 9/30/2015	Unamortized Balance at 9/30/2015	Amount Amortized for Test Period	Unamortized Balance at 6/30/2016
1	1971	50 Years	\$ -	\$ -	\$ -	\$ -	\$ -
2	1972	50 Years	2,578	274	2,304	274	2,029
3	1973	50 Years	2,098	195	1,903	195	1,708
4	1974	50 Years	2,394	200	2,194	200	1,994
5	1975	50 Years	5,357	402	4,955	402	4,554
6	1976	50 Years	6,740	460	6,280	460	5,820
7	1977	50 Years	14,315	895	13,420	895	12,524
8	1978	50 Years	9,160	529	8,631	529	8,102
9	1979	50 Years	13,545	729	12,816	729	12,087
10	1980	50 Years	13,907	694	13,212	694	12,518
11	1981	50 Years	23,749	1,112	22,637	1,112	21,525
12	1982	50 Years	21,972	969	21,003	969	20,034
13	1983	50 Years	61,980	2,585	59,395	2,585	56,810
14	1984	50 Years	59,026	2,310	56,716	2,310	54,406
15	1985	50 Years	54,570	2,094	52,476	2,094	50,381
16	1986	50 Years	14,929	526	14,403	526	13,877
17	1987	50 Years	375	13	362	13	348
18	1988	50 Years	85	2	83	2	81
19	1989	50 Years	-	-	-	-	-
20	1995	50 Years	179	5	174	5	169
21	1997	50 Years	718	16	702	16	685
22	Total		\$ 307,678	\$ 14,013	\$ 293,665	\$ 14,013	\$ 279,652

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

Schedule No. 3M

OTHER FEDERAL, STATE AND LOCAL TAXES

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

Line No.	Description (a)	Test Year		Utility Proposed Test Period	
		Total Utility (b)	Delaware Jurisdiction (c)	Total Utility (d)	Delaware Jurisdiction (e)
1	Real Estate Tax	\$ 1,408,016	\$ 1,408,016	\$ 1,513,903	\$ 1,513,903
2	FICA Tax	286,449	286,449	\$324,692	324,692
3	Federal Unemployment Tax	2,669	2,669	2,669	2,669
4	State Unemployment Tax	13,700	13,700	13,700	13,700
5	Misc. Taxes	975	975	975	975
6	Gross Reciepts/PSC	80,929	80,929	80,822	80,822
8	Total Other Taxes	<u>\$ 1,792,739</u>	<u>\$ 1,792,739</u>	<u>\$ 1,936,762</u>	<u>\$ 1,936,762</u>

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.4 Allowance for Funds Used During Construction (AFDUC)

5.4.1

- a. The AFUDC rate employed by the Commission in the last rate decision.
- b. The AFUDC rate used in each month from the end of the test period in the last case through the end of the test year and test period.

Response:

- a. The rate from the 2010 rate case (Docket No. 10-421) is 11.74%.
- b. 0.9783% per month

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.4 Allowance for Funds Used During Construction (AFDUC)

- 5.4.2 Provide a statement which describes the methodology employed to complete the AFUDC rates for all periods of time specified in Item 1 above.

Response:

The annual rate is divided by 12 to develop the monthly rate that is applied.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Chuck Loy

MFR

5.4 Allowance for Funds Used During Construction (AFDUC)

5.4.3 Provide a statement which fully describes how the AFUDC is applied in the accounting procedures.

Response:

The monthly AFUDC rate is applied each month to construction above \$50,000 with duration over 30 days.

SUEZ Water Delaware
Minimum Filing Requirements of the
Delaware Public Service Commission

OTHER INCOME

Delaware Public Service Commission
Company: SUEZ Water Delaware
Docket No. _____

Witness Responsible:
Loy

MFR

5.5 Other Income

5.5.1 Provide a schedule which describes the nature and amount of each item of other income for the test year and test period.

Response:

Description (a)	Test Year (b)	Test Period (c)
Mechandising and Jobbing	\$ (15,071)	\$ (15,071)
Intercompany Interest	(2,154,505)	(2,169,533)
Interest Charged to Construction - CR	(90,923)	(90,923)
Misc. Non-Operating Income	65,514	65,514
Other Income Deductions	(61,125)	(61,125)
Other Interest Expense	(2,666)	(2,666)
Total	\$ (2,258,776)	\$ (2,273,804)